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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 000478

SIPDIS

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SUBJECT: SRI LANKA CO-CHAIRS MEET IN BRUSSELS, 01/25/2005

Classified By: POLOFF SARAH GROEN FOR REASON 1.4(D)

- 1. SUMMARY: Co-chairs agreed on a press statement emphasizing a strong link between tsunami reconstruction process and building confidence to strengthen the peace process, but without a direct link to resumed peace negotiations. The Co-Chairs agreed on the need for enhanced donor coordination, but there were some differences on degree and type of coordination. END SUMMARY
- 12. (C) U.S., EU, Japanese and Norwegian delegations met at the European Commission in Brussels on January 25 for a meeting of the Co-Chairs of the Tokyo Conference. The working lunch and conclusions session were congenial and moved quickly under the guidance of EU External Relations Commissioner Benita Ferrero-Waldner. The meeting provided an opportunity for the participants to share views on the situation on the ground in Sri Lanka, discuss next steps, and prepare a press release that addressed the tsunami disaster and next steps in the peace process.

## COORDINATING MECHANISM URGENTLY NEEDED

- 13. (C) A main thrust of the meeting was the agreement that donors needed to ensure coordination of their assistance efforts to avoid gaps and overlaps. Commissioner Ferrero-Waldner strongly supported the idea of a coordinating mechanism, and wanted to discuss the concept in the meeting and perhaps arrive at a proposal. The group felt, however--and Ferrero-Waldner quickly agreed--that this was a proposal that could better be generated by co-chair members on the ground in Colombo. Ambassador Lunstead said this topic will be on the agenda at a Co-chairs meeting in Colombo next week.
- 14. (C) Discussing the subject further, Norwegian Deputy Foreign Minister Vidar Helgeson pointed out that because of the vast amounts of money involved and the fact that some major donors are not included in the Tokyo Conference, its utility as a coordinating mechanism for tsunami relief is limited. He also noted the vast sums of money which had been raised by NGO's whose activities in the country were largely unregulated and not coordinated. Ambassador Lunstead said that one problem in coordination was that the GSL had not named one person with enough political clout in overall charge to get the various government entities, NGOs, and other actors in line. Yasushi Akashi, head of the Japanese delegation, mentioned an informal coordinating group of NGOs which already meets in Colombo, and suggested that one or two established and well-respected NGOs could take the lead on coordinating NGO activities.

## THE POLITICAL MESSAGE

- 15. (C) The Co-chairs were largely in agreement on what the political message of the press statement should be: to communicate sympathy for the tsunami disaster, pledge continued support for reconstruction efforts, and allay fears that tsunami relief would be conditional on progress on the peace process. At the same time, they wanted to encourage the parties to the peace process to use this opportunity to bridge differences and build confidence in each other.
- 16. (C) There was much awareness of and discussion about how the government and LTTE would read the press release, with Ambassador Lunstead noting that Sri Lanka readers would be sure to parse it closely for every shade of meaning. The group was very aware of both GSL and LTTE concerns that major donors would make tsunami aid contingent on the peace process, and wanted the statement to allay those fears. The eventual consensus of the group was that omitting any reference to conditionality was enough to address Sri Lankan fears about conditionality; the statement did not have to explicitly state that tsunami response was unconditional.
- 17. (C) Within the context of general agreement, individual delegations raised concerns:
- --NORWAY: Wanted to make sure that the word "decentralized" was used somewhere in regard to reconstruction efforts, based on Norwegian concerns that President Kumaratunga holds power much too tightly and refuses to delegate responsibility to staffers. Argued for adequate acknowledgment of the LTTE, on

the grounds that if they were omitted, they would be offended and this could negatively affect the peace process. Pushed for enhanced donor coordination mechanism in Colombo.

- --JAPAN: Wanted to ensure that the efforts of the GSL were acknowledged adequately in the press release, rather than focusing primarily on the work of NGOs and other organizations. Wanted to ensure that the GSL and LTTE were not directly equated in the statement in a way that would suggest they were equivalent entities. Thought donor coordination in Colombo was good, echoed by US.
- --EU: Initially made a case for including the word "unconditional" in the press release in regard to tsunami relief, arguing that if the word was not used, the Sri Lankan audience would continue to worry that tsunami aid would be held up if the peace process did not move forward. Ferrero-Waldner decided the word should not be included. --U.S.: Had to make sure that the statement was in line with the USG's designation of LTTE as a terrorist group. NEW PROPOSALS/ACTIONS
- 18. (C) In his opening remarks, Deputy Foreign Minister Helgeson described his meetings with LTTE and GSL leaders in Sri Lanka last week, including ongoing negotiations on a proposal to create a World Bank-administered fund for tsunami assistance. While the group lauded the Norwegian talks as a step forward, both Japan and the U.S. pointed out that they would not be able to contribute to such a fund (in the case of the U.S., because such funds could end up going to the LTTE).
- 19. (C) The EU raised the idea of sending a delegation to Sri Lanka in the next month or two, but asked for input from Colombo-based participants on what timeframe might be appropriate. The delegation might include Commission External Relations Director Herve Jouanjean; during the working lunch, Commissioner Ferrero-Waldner also expressed interest in going. (EU has since informed Embassy Colombo that Ferrerro-Waldner and Jouanjean will come in early March.)
- 110. (C) COLOMBO COMMENT: The meeting was cordial and productive, with especially quick movement on the statement. It was also useful as an opportunity to bring new Commissioner Ferrerro-Waldner up to speed on Sri Lanka. Some differences of opinion on how donor assistance should be coordinated are becoming evident. Everyone agreed that coordination of these large sums of money to Sri Lanka is necessary. Following themes developed during the visit to Colombo the previous week of Norwegian International Development Minister Hilde Johnson, the Norwegians described donor coordination in Colombo as "poor" and pushed for a highly centralized (and in our view unneeded and inappropriate) control mechanism. Johnson described this as the "new African model," citing Uganda as an example. We think the differences are greater than the similarities. We do not believe, however, that this will become a major issue, as in fact all donors work well together on the ground here. END COMMENT

SCHNABEL